

MONTANA LEGISLATIVE HISTORY

Chapter 292 1985

Bill H _____ S 363 Original bill & history ✓ C

H. Committee on Business & Industry S. Committee on Business & Industry

Hearing Date(s) Mar 20 ✓ C

Hearing Date(s) Feb 15 ✓ C

_____ C

Feb 20 ✓ C

_____ C

_____ C

_____ C

_____ C

Date Out Mar 20 ✓ C

Feb 20 ✓ C

Did this bill originate in an interim committee? Yes No

Committee _____

Report _____

SENATE FINAL STATUS

2/21	COMMITTEE REPORT-BILL DO PASS		
2/23	2ND READING PASS	39	5
2/25	3RD READING PASS	44	4

	TRANSMITTED TO HOUSE		
2/27	REFERRED TO BUSINESS & LABOR		
3/20	HEARING		
3/20	COMMITTEE REPORT-BILL CONCURRED		
3/23	2ND READING CONCURRED	92	5
3/25	3RD READING CONCURRED	92	8

	RETURNED TO SENATE		
3/30	SIGNED BY PRESIDENT		
3/30	SIGNED BY SPEAKER		

4/01	TRANSMITTED TO GOVERNOR		
4/04	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 360	EFFECTIVE DATE:	10/01/85

SB 363 INTRODUCED BY E. SMITH, GAGE, ET AL.
 REPURCHASE OF INVENTORY - CANCELLED DISTRIBUTION
 CONTRACTS

2/07	INTRODUCED		
2/08	REFERRED TO BUSINESS & INDUSTRY		
2/19	HEARING		
2/20	COMMITTEE REPORT-BILL PASS AS AMENDED		
2/22	2ND READING PASS	49	0
2/25	3RD READING PASS	48	0

	TRANSMITTED TO HOUSE		
2/27	REFERRED TO BUSINESS & LABOR		
3/20	HEARING		
3/20	COMMITTEE REPORT-BILL CONCURRED		
3/23	2ND READING CONCURRED	89	3
3/25	3RD READING CONCURRED	99	1

	RETURNED TO SENATE		
3/30	SIGNED BY PRESIDENT		
3/30	SIGNED BY SPEAKER		

4/01	TRANSMITTED TO GOVERNOR		
4/01	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 297	EFFECTIVE DATE:	10/01/85

SB 364 INTRODUCED BY PINSONEAULT, B. BROWN, ET AL.
 DEATH PENALTY FOR SELLING OPIATE TO A PERSON WHO
 DIES FROM USING IT

2/08	INTRODUCED		
2/09	REFERRED TO JUDICIARY		
2/21	HEARING		
2/23	COMMITTEE REPORT-BILL PASS AS AMENDED		
2/25	2ND READING PASS	26	19
2/27	3RD READING PASS	27	23
2/27	RECONSIDERATION		
2/27	3RD READING DO NOT PASS	24	26
2/27	BILL KILLED		

SB 365 INTRODUCED BY ECK, HOLLIDAY, GALT, IVERSON

SENATE BILL NO. 363

INTRODUCED BY E. SMITH, GAGE, KOLSTAD,
TVEIT, AKLESTAD, CRIPPEN, KEATING

IN THE SENATE

February 8, 1985	Introduced and referred to Committee on Business and Industry.
February 20, 1985	Committee recommend bill do pass as amended. Report adopted.
February 21, 1985	Bill printed and placed on members' desks.
February 22, 1985	Second reading, do pass.
February 23, 1985	Considered correctly engrossed.
February 25, 1985	Third reading, passed. Ayes, 48; Noes, 0.
	Transmitted to House.

IN THE HOUSE

February 27, 1985	Introduced and referred to Committee on Business and Labor.
March 20, 1985	Committee recommend bill be concurred in. Report adopted.
March 23, 1985	Second reading, concurred in.
March 25, 1985	Third reading, concurred in.
	Returned to Senate.

IN THE SENATE

March 25, 1985

Received from House.

March 26, 1985

Sent to enrolling.

Reported correctly enrolled.

1 *Senate* BILL NO. *363*
 2 INTRODUCED BY *Eng. Smith* *Rep. Harold Travis* *Extending*
 3 *WILLIAMS*
 4 A BILL FOR AN ACT ENTITLED: "AN ACT EXPANDING THE
 5 REPURCHASE OF INVENTORY REQUIREMENTS OF CANCELED DEALERSHIP
 6 CONTRACTS TO INCLUDE CANCELED DISTRIBUTION CONTRACTS;
 7 DEFINING "DISTRIBUTION CONTRACT", "DEALERSHIP CONTRACT", AND
 8 "WHOLESALE"; AMENDING SECTIONS 30-11-701, 30-11-702,
 9 30-11-704, AND 30-11-711 THROUGH 30-11-713, MCA."
 10
 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 12 Section 1. Section 30-11-701, MCA, is amended to read:
 13 "30-11-701. Definitions. As used in this part, the
 14 following definitions apply:
 15 (1) "Current net price" means:
 16 (a) with respect to a dealership contract, the price
 17 listed in the wholesaler's, manufacturer's, or distributor's
 18 price list or catalog in effect at the time a dealership
 19 contract is discontinued or, if none is then in effect, the
 20 last available price so listed; and
 21 (b) with respect to a distribution contract, the price
 22 listed in the manufacturer's or distributor's price list or
 23 catalog in effect at the time a distribution contract is
 24 discontinued or, if none is then in effect, the last
 25 available price so listed.

1 (2) "Dealership contract" means a written contract
 2 between a retailer and a wholesaler, manufacturer, or
 3 distributor in which the retailer becomes a dealer in goods
 4 sold by the wholesaler, manufacturer, or distributor,
 5 evidenced by a franchise agreement, sales agreement,
 6 security agreement, or other similar agreement or
 7 arrangement.
 8 (3) "Distribution contract" means a written contract
 9 between a wholesaler and a manufacturer or distributor in
 10 which the wholesaler becomes a dealer in goods sold by the
 11 manufacturer or distributor, evidenced by a franchise
 12 agreement, sales agreement, security agreement, or other
 13 similar agreement or arrangement.
 14 ~~(2)~~(4) "Inventory" means:
 15 (a) farm implements, machinery, attachments, and
 16 repair parts;
 17 (b) industrial and construction equipment and repair
 18 parts; and
 19 (c) automobiles, trucks, and repair parts sold by an
 20 automobile or truck dealer as defined in 61-1-314.
 21 ~~(3)~~(5) "Net cost" means:
 22 (a) with respect to a dealership contract, the price
 23 actually paid for an inventory item by the retailer to the
 24 wholesaler, manufacturer, or distributor, plus applicable
 25 freight costs paid by or charged to the retailer; and

(b) with respect to a distribution contract, the price actually paid for an inventory item by the wholesaler to a manufacturer or distributor, plus applicable freight costs paid by or charged to the wholesaler.

(4)(6) "Retailer" or "retail dealer" means any individual, partnership, association, or corporation engaged in the business of selling inventory, as defined in this section, to the general public.

(7) "Wholesaler" means any individual, partnership, association, or corporation engaged in the business of selling inventory, as defined in this section, to retailers."

Section 2. Section 30-11-702, MCA, is amended to read:

"30-11-702. Repurchase of inventory items upon cancellation of dealership or distribution contract. (1) If a retailer enters into a written dealership contract evidenced by franchise agreement, sales agreement, security agreement, or other similar agreement or arrangement and either the wholesaler, manufacturer, distributor, or retailer cancels the contract, such wholesaler, manufacturer, or distributor shall, at the retailer's request, pay to the retailer, or credit to the retailer's account if the retailer has outstanding any sums owing the wholesaler, manufacturer, or distributor, an amount equal to:

(a) 100% of the net cost of all new, unused, undamaged, and complete inventory items, except repair parts, held by the dealer at the time of cancellation; and

(b) 85% of the current net price of each repair part carried on the most recent price list or catalog provided by the manufacturer or distributor and held by the dealer at the time of cancellation.

(2) If a wholesaler enters into a written distribution contract and either the wholesaler, manufacturer, or distributor cancels the contract, the manufacturer or distributor shall, at the wholesaler's request, pay to the wholesaler, or credit to the wholesaler's account if the wholesaler has outstanding any sums owing to the manufacturer or distributor, an amount equal to:

(a) 100% of the net cost of all new, unused, undamaged, and complete inventory items, except repair parts, held by the wholesaler at the time of cancellation; and

(b) 85% of the current net price of each repair part carried on the most recent price list or catalog provided by the manufacturer or distributor and held by the wholesaler at the time of cancellation.

(2)(3) Payment or allowance of credit to the retailer's or wholesaler's account of the sum required in subsection (1) or (2) must be made upon return of the

1 inventory items to the wholesaler, manufacturer, or
2 distributor. Title to such inventory items passes to the
3 wholesaler, manufacturer, or distributor upon making such
4 payment."

5 Section 3. Section 30-11-704, MCA, is amended to read:

6 "30-11-704. Repurchase of inventory of deceased
7 retailer or wholesaler. If the retailer, wholesaler, or
8 majority stockholder in a corporation operating as a
9 retailer or wholesaler entitled to payment under this part
10 dies, the wholesaler, manufacturer, or distributor shall,
11 unless the heirs or devisees of the deceased agree to
12 continue to operate the dealership, repurchase the inventory
13 from the heirs or devisees in the manner prescribed in
14 30-11-702."

15 Section 4. Section 30-11-711, MCA, is amended to read:

16 "30-11-711. Rights not affected. (1) This part does
17 not affect any contractual right of a wholesaler,
18 manufacturer, or distributor to charge back to the
19 retailer's or wholesaler's account any amount previously
20 credited or paid as a discount incident to the retailer's or
21 wholesaler's purchase of the goods.

22 (2) This part does not affect any security interest
23 that any financial institution, person, wholesaler,
24 manufacturer, or distributor may have in the inventory of
25 the retailer or wholesaler."

1 Section 5. Section 30-11-712, MCA, is amended to read:

2 "30-11-712. Civil liability. If any wholesaler,
3 manufacturer, or distributor fails or refuses to repurchase
4 any inventory as required by 30-11-702, the wholesaler,
5 manufacturer, or distributor is liable in a civil action for
6 100% of the current net price of the inventory, plus any
7 freight charges paid by the retailer or wholesaler, the
8 retailer's or wholesaler's attorney fees, and court costs."

9 Section 6. Section 30-11-713, MCA, is amended to read:

10 "30-11-713. Remedy as supplemental. (1) The
11 provisions of this part are supplemental to any agreement
12 between:

13 (a) the retailer and wholesaler, manufacturer, or
14 distributor governing the inventory; or

15 (b) the wholesaler and manufacturer or distributor
16 governing the inventory.

17 (2) The retailer or wholesaler may elect to pursue
18 either his contract remedies or the remedy provided in
19 30-11-702. An election to pursue his contract remedies does
20 not bar the retailer's right to the remedy provided in
21 30-11-702 as to any inventory not covered by contract."

22 NEW SECTION. Section 7. Saving clause. This act does
23 not affect rights and duties that matured, penalties that
24 were incurred, or proceedings that were begun before the
25 effective date of this act.

7

MONTANA LEGISLATIVE COUNCIL BILL STATUS SYSTEM
 FINAL COMMITTEE REPORT OF REFERRED BILLS
 COMMITTEE--(S) BUSINESS & INDUSTRY

PAGE NBR..... 167
 RUN TIME18:07
 RUN DATE.... 04/29/85

CHAIRMAN--HALLIGAN, MIKE
 NORMAL SCHEDULE==> SITE: ROOM 410

DAYS: M-TU-W-TH-F

TIME: 10:00 A.M.-12 NOON

SECRETARY-DUVAL, CAROL

--BILL NO--	REFER DATE	HEARING DATE	CONSIDERATION DATES	COMMITTEE ACTION	REFERRED TO COMM	DATE OUT
SB0318	2/04	2/12	2/15	ADVERSE REPORT		2/15
KEATING, THOMAS F.			PUBLIC SERV. COMM. MAY PERMIT CLOSURE OF NONESSENTIAL RAILROAD FACILITIES			
SB0333	2/07	2/12	2/15	PASS AS AMENDED		2/15
CHRISTIAENS, B.F. CHRIS			SECURED PARTY OR CREDITOR MAY TRANSFER TITLE AND RECORD LIEN AFTER 20-DAYS			
SB0335	2/07	2/13		TABLED		2/13
MANNING, RICHARD E.			REGISTRATION OF CONTRACTORS - POSTING OF SURETY BOND			
SB0340	2/07	2/14	2/14 2/15 2/22	DO PASS		2/22
BROWN, BOB			AUTHORIZE DEPOSIT OF PUBLIC MONEY IN CREDIT UNIONS & SAVINGS AND LOANS			
SB0343	2/07	2/13		DO PASS		2/13
HALLIGAN, MIKE			STATUTE OF LIMITATIONS FOR CONTRACTORS GROSS RECEIPTS TAX			
SB0349	2/08	2/14	2/21	PASS AS AMENDED		2/21
MAZUREK, JOSEPH P.			AUTHORIZE ECONOMIC DEVELOPMENT BOARD TO GUARANTEE BONDS OR LOANS			
SB0350	2/08	2/14		PASS AS AMENDED		2/14
CRIPPEN, BRUCE D.			IMPOSITION OF FINES FOR VIOLATIONS OF MONTANA SECURITIES ACT			
SB0353	2/08	2/20	2/22	PASS AS AMENDED		2/22
LYBECK, RAY			PREFERENCE TO EMPLOYEE-OWNED FIRMS FOR LOANS UNDER IN-STATE INVESTMENT ACT			
SB0355	2/08	2/20	2/21	ADVERSE REPORT		2/21
MAZUREK, JOSEPH P.			REGULATION OF TIME SHARE INDUSTRY PROVIDING FOR REGISTRATION AND LICENSE			
SB0357	2/08	2/15		PASS AS AMENDED		2/15
WILLIAMS, BOB			PORTION OF BUSINESS SELLING BEER NEED NOT BE CLOSED OFF DURING CLOSING HOURS			
SB0363	2/08	2/19	2/20	PASS AS AMENDED		2/20
SMITH, ED B.			REPURCHASE OF INVENTORY - CANCELLED DISTRIBUTION CONTRACTS			

MINUTES OF THE MEETING
BUSINESS & INDUSTRY COMMITTEE
MONTANA STATE SENATE

February 19, 1985

The twenty-fourth meeting of the Business & Industry Committee met on February 19 in Room 410 of the Capitol Building at 10 a.m. The meeting was called to order by Chairman Mike Halligan.

ROLL CALL: All committee members were present except for Senator Neuman who was excused.

CONSIDERATION OF SENATE BILL 363: Senator Ed Smith, Senate District 10 of Dagmar, is the chief sponsor of this bill which would expand the repurchase of inventory requirements of cancelled dealership contracts to include cancelled distribution contracts or wholesalers to a bill which was passed last session.

PROPOSERS: A letter in support of Senate Bill 363 was submitted by Senator Smith from Blake Wordal, from the Montana Hardware and Implement Dealers' Association. (EXHIBIT 1) Dick Milligan, of Midland Implement Company in Billings, a wholesaler who sells to retail dealers across the state, feels they are subjected to the same type of problems that implement dealers are and favor this legislation. Often a manufacturer will cancel contracts and put them in a bind with outdated equipment. He submitted a letter from Gareld Krieg, an attorney from Billings with some suggestions for a possible amendment. (EXHIBIT 2) Dennis Hove, of Hove, Inc. of Billings, favors the bill passed last session and would like to see the wholesalers included also. (EXHIBIT 3) Jerry Young, with Renn in Billings, a wholesaler, feels they can give more support to the retailer if they have the benefits of this bill. (EXHIBIT 4)

OPPONENTS: There were no opponents to this bill.

Questions were then called for from the committee. Senator Christiaens wanted to know how the aged inventory was handled now and was told it was explained in the original bill. If it is listed and in the book, that is what the manufacturer would take on. Senator Thayer asked if this included chemicals and was told it did not. In closing Senator Smith said the bill will just add the wholesalers to the law passed two years ago. The hearing was closed on Senate Bill 363.

CONSIDERATION OF SENATE BILL 408: Senator Gene Thayer, Senate District 19, Great Falls, stated this bill was drafted as a committee bill for Business & Industry and it just addresses a law passed in 1983 which neglected to exempt transactions by capital companies from salesman and issuer registration provisions.

ROLL CALL

BUSINESS & INDUSTRY

COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date 3/19/85

STATE
RT

NAME	PRESENT	ABSENT	EXCUSED
Chairman Halligan	X		
V-chrm. Christiaens	X		
Senator Boylan	X		
Senator Fuller	X		
Senator Gage	X		
Senator Goodover	X		
Senator Kolstad	X		
Senator Neuman			X
Senator Thayer	X		
Senator Williams	X		
Senator Weeding			

Each day attach to minutes.



**MONTANA
HARDWARE &
IMPLEMENT
ASSOCIATION**

3087 N. Montana Avenue
P.O. Box 4459
Telephone 406/442-1590
Helena, Montana 59604

EXHIBIT 1
BUSINESS & INDUSTRY
February 19, 1985

advocate for Montana and Northern Wyoming retail hardware and farm implement dealers

February 18, 1985

Senator Mike Halligan, Chairman
Senate Business and Industry Committee
Montana State Senate
Capitol Building
Helena, MT 59620

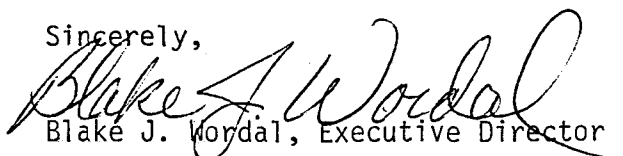
Dear Senator Halligan and members of the Senate Business and Industry Committee:

I am unable to join you for the hearing on Senate Bill 363 because the Montana Hardware and Implement Association is holding its 76th Annual Convention this week in Billings. Please accept this letter as our Association's testimony in support of this legislation.

Senate Bill 363 merely expands the wholegoods and parts buy-back provisions of legislation enacted in 1983 to Montana wholesalers. As written, this bill does not alter the rights of retail farm equipment dealers when a franchise is terminated. This legislation requires the manufacturer or distributor to buy back new, unused wholegoods and parts in the event that a franchise is cancelled. As is the case with the retailer, a wholesaler who no longer carries a particular line of equipment will be forced to dispose of that inventory at great cost to their operations. Montana wholesalers deserve the protection afforded by Senate Bill 363, and the Montana Hardware and Implement Association encourages your support.

Thank you for the opportunity to express our views.

Sincerely,


Blake J. Wordal, Executive Director

CROWLEY, HAUGHEY, HANSON, TOOLE & DIETRICH

CALE CROWLEY
JAMES M. HAUGHEY
NORMAN HANSON
BRUCE R. TOOLE
JOHN M. DIETRICH
THOMAS N. KELLEY
LOUIS R. MOORE
GARELO F. KRIEG
ARTHUR F. LAMEY, JR.
MYLES J. THOMAS
GEORGE C. DALTHORP
DAVID L. JOHNSON
JACK RAMIREZ
KEMP WILSON
ROBERT EDD LEE
STUART W. CONNER
HERBERT I. PIERCE, III
RONALD R. LODDERS
STEVEN RUFFATTO
ALLAN L. KARELL
JAMES P. SITES

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LAURA A. MITCHELL
SHERRY SCHEEL MATTEUCCI
CHRISTOPHER MANGEN, JR.
MICHAEL E. WEBSTER
DANIEL N. McLEAN
JOHN R. ALEXANDER
DONALD L. HARRIS
WILLIAM D. LAMON, III
MICHAEL S. DOCKERY
WILLIAM J. MATTIX
MICHAEL P. MANION
PETER F. HABEIN
WILLIAM O. BRONSON
MALCOLM H. GOODRICH
MICHAEL B. EVANS
MARY S. YERGER

February 11, 1985

Mr. Brooks Pates
President
Midland Implement Company
402 Daniels
Billings, Montana 59102

Re: Revision of Montana Buy-Back Act to
Include Wholesalers

Dear Mr. Pates:

At your request I have reviewed the bill which I understand has now been introduced as Senate Bill 363, relating to the above subject, as drafted by the Legislative Council. Senate Bill 363 conforms closely to the revisions suggested by us and forwarded to you with my letter of December 21, 1984, excepting, of course, for the provision to expand the classes of inventory to which the act is applicable. It is my understanding that the proposed addition of other manufactured goods to the definition of "inventory" has been intentionally omitted.

While the bill conforms very closely to our suggestions, there are a couple of variations. While neither of these are particularly significant, I continue to prefer the version we sent to you. Section 2 of the bill, appearing on page 3, amends Section 30-11-702, but leaves subparagraph (1) unchanged. We had deleted from that paragraph the words "written" and "evidenced by franchise agreement, sales agreement, security agreement, or other similar agreement or arrangement". The bill leaves this language in, perhaps in the belief that our deletion was effecting a substantive change. The deleted language, however, has been added to the definition of "dealership contract" which would become subparagraph (2) of Section 30-11-701, and it appears to us to be redundant and possibly confusing to leave those words in Section 30-11-702 as well.

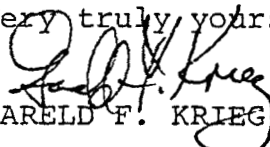
It still appears to me that the word "subsection" appearing in the last line on page 4 of the bill should be "subsections".

Page 2
February 11, 1985

Finally, Section 6 relating to the remedies, and amending Section 30-11-713, has been revised in a manner somewhat different to that suggested by us. In part the difference is merely a matter of form. With respect, however, to the last sentence of the section, which Senate Bill 363 leaves unchanged, there may be a substantive distinction. That sentence specifically preserves the rights created by this statute with respect to inventory not covered by contract, if the retailer elects to pursue a contract remedy with respect to other inventory. If the rights of a wholesaler are to be essentially equivalent to those of a retailer, this same right should be extended to wholesalers as well, which we had proposed to do by deleting the word "retailers". It could also be done by changing the phrase to read "not bar the retailers' or wholesalers' right to the" etc.

As noted, none of the foregoing changes appear to me to be crucial, but if it is possible to incorporate them in the legislation it appears to me that the bill would be somewhat clearer.

Very truly yours,


GARELD F. KRIEG

BFK/js

U
TWII
5TH FLOOR

BILL NO. 363

INTRODUCED BY E. Smith Rep. Harold T. Trier *Testing*

A BILL FOR AN ACT ENTITLED: "AN ACT EXPANDING THE REPURCHASE OF INVENTORY REQUIREMENTS OF CANCELED DEALERSHIP CONTRACTS TO INCLUDE CANCELED DISTRIBUTION CONTRACTS; DEFINING "DISTRIBUTION CONTRACT", "DEALERSHIP CONTRACT", AND "WHOLESALE"; AMENDING SECTIONS 30-11-701, 30-11-702, 30-11-704, AND 30-11-711 THROUGH 30-11-713, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 30-11-701, MCA, is amended to read:

"30-11-701. Definitions. As used in this part, the following definitions apply:

(1) "Current net price" means:

(a) with respect to a dealership contract, the price listed in the wholesaler's, manufacturer's, or distributor's price list or catalog in effect at the time a dealership contract is discontinued or, if none is then in effect, the last available price so listed; and

(b) with respect to a distribution contract, the price listed in the manufacturer's or distributor's price list or catalog in effect at the time a distribution contract is discontinued or, if none is then in effect, the last available price so listed.

Λ

(2) "Dealership contract" means a written contract between a retailer and a wholesaler, manufacturer, or distributor in which the retailer becomes a dealer in goods sold by the wholesaler, manufacturer, or distributor, evidenced by a franchise agreement, sales agreement, security agreement, or other similar agreement or arrangement.

(3) "Distribution contract" means a written contract between a wholesaler and a manufacturer or distributor in which the wholesaler becomes a dealer in goods sold by the manufacturer or distributor, evidenced by a franchise agreement, sales agreement, security agreement, or other similar agreement or arrangement.

+2+(4) "Inventory" means:

(a) farm implements, machinery, attachments, and repair parts;

(b) industrial and construction equipment and repair parts; and

(c) automobiles, trucks, and repair parts sold by an automobile or truck dealer as defined in 61-1-314.

+3+(5) "Net cost" means:

(a) with respect to a dealership contract, the price actually paid for an inventory item by the retailer to the wholesaler, manufacturer, or distributor, plus applicable freight costs paid by or charged to the retailer; and

(b) with respect to a distribution contract, the price actually paid for an inventory item by the wholesaler to a manufacturer or distributor, plus applicable freight costs paid by or charged to the wholesaler.

~~(4)~~(6) "Retailer" or "retail dealer" means any individual, partnership, association, or corporation engaged in the business of selling inventory, as defined in this section, to the general public.

(7) "Wholesaler" means any individual, partnership, association, or corporation engaged in the business of selling inventory, as defined in this section, to retailers."

Section 2. Section 30-11-702, MCA, is amended to read:

"30-11-702. Repurchase of inventory items upon cancellation of dealership or distribution contract. (1) If a retailer enters into a (written) dealership contract (evidenced by franchise agreement, sales agreement, security agreement, or other similar agreement or arrangement) and either the wholesaler, manufacturer, distributor, or retailer cancels the contract, such wholesaler, manufacturer, or distributor shall, at the retailer's request, pay to the retailer, or credit to the retailer's account if the retailer has outstanding any sums owing the wholesaler, manufacturer, or distributor, an amount equal to:

Revised with Section

1 (a) 100% of the net cost of all new, unused,
2 undamaged, and complete inventory items, except repair
3 parts, held by the dealer at the time of cancellation; and

4 (b) 85% of the current net price of each repair part
5 carried on the most recent price list or catalog provided by
6 the manufacturer or distributor and held by the dealer at
7 the time of cancellation.

8 (2) If a wholesaler enters into a written distribution
9 contract and either the wholesaler, manufacturer, or
10 distributor cancels the contract, the manufacturer or
11 distributor shall, at the wholesaler's request, pay to the
12 wholesaler, or credit to the wholesaler's account if the
13 wholesaler has outstanding any sums owing to the
14 manufacturer or distributor, an amount equal to:

15 (a) 100% of the net cost of all new, unused,
16 undamaged, and complete inventory items, except repair
17 parts, held by the wholesaler at the time of cancellation;
18 and

19 (b) 85% of the current net price of each repair part
20 carried on the most recent price list or catalog provided by
21 the manufacturer or distributor and held by the wholesaler
22 at the time of cancellation.

23 (2)(3) Payment or allowance of credit to the
24 retailer's or wholesaler's account of the sum required in
25 subsection (1) or (2) must be made upon return of the

1 inventory items to the wholesaler, manufacturer, or
2 distributor. Title to such inventory items passes to the
3 wholesaler, manufacturer, or distributor upon making such
4 payment."

5 Section 3. Section 30-11-704, MCA, is amended to read:

6 "30-11-704. Repurchase of inventory of deceased
7 retailer or wholesaler. If the retailer, wholesaler, or
8 majority stockholder in a corporation operating as a
9 retailer or wholesaler entitled to payment under this part
10 dies, the wholesaler, manufacturer, or distributor shall,
11 unless the heirs or devisees of the deceased agree to
12 continue to operate the dealership, repurchase the inventory
13 from the heirs or devisees in the manner prescribed in
14 30-11-702."

15 Section 4. Section 30-11-711, MCA, is amended to read:

16 "30-11-711. Rights not affected. (1) This part does
17 not affect any contractual right of a wholesaler,
18 manufacturer, or distributor to charge back to the
19 retailer's or wholesaler's account any amount previously
20 credited or paid as a discount incident to the retailer's or
21 wholesaler's purchase of the goods.

2 (2) This part does not affect any security interest
3 that any financial institution, person, wholesaler,
4 manufacturer, or distributor may have in the inventory of
5 the retailer or wholesaler."

1 Section 5. Section 30-11-712, MCA, is amended to read:

2 "30-11-712. Civil liability. If any wholesaler,
3 manufacturer, or distributor fails or refuses to repurchase
4 any inventory as required by 30-11-702, the wholesaler,
5 manufacturer, or distributor is liable in a civil action for
6 100% of the current net price of the inventory, plus any
7 freight charges paid by the retailer or wholesaler, the
8 retailer's or wholesaler's attorney fees, and court costs."

9 Section 6. Section 30-11-713, MCA, is amended to read:

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11 provisions of this part are supplemental to any agreement
12 between:

13 (a) the retailer and wholesaler, manufacturer, or
14 distributor governing the inventory; or

15 (b) the wholesaler and manufacturer or distributor
16 governing the inventory.

17 (2) The retailer or wholesaler may elect to pursue
18 either his contract remedies or the remedy provided in
19 30-11-702. An election to pursue his contract remedies does
20 not bar the retailer's right to the remedy provided in
21 30-11-702 as to any inventory not covered by contract."

22 NEW SECTION. Section 7. Saving clause. This act does
23 not affect rights and duties that matured, penalties that
24 were incurred, or proceedings that were begun before the
25 effective date of this act.

19

NAME Dick Milligan BILL NO. 363
ADDRESS R2 Box 730 Laurel DATE 2/19/85
WHOM DO YOU REPRESENT Midland Implement Co.
SUPPORT ☒ OPPOSE ☐ AMEND ☐

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

CS-34

EXHIBIT 3
BUSINESS & INDUSTRY
February 19, 1985

NAME **DENNIS HOVE**

BILL No. **363**

ADDRESS **3046 Forsyth A - BILLINGS, MT**

DATE **2-19-85**

WHOM DO YOU REPRESENT **Hovco, Inc**

SUPPORT ☒ OPPOSE ☐ AMEND ☐

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

NAME JERRY YOUNG BILL NO. 363
ADDRESS 464 FOSTE ST. Billings DATE 2/19/84
WHOM DO YOU REPRESENT RENN
SUPPORT X OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

FEBRUARY 19, 1985

COMMITTEE ON

VISITORS' REGISTER

[illegible]

MINUTES OF THE MEETING
BUSINESS & INDUSTRY COMMITTEE
MONTANA STATE SENATE

February 20, 1985

The 25th meeting of the Business & Industry Committee met on February 20, 1985 in Room 410 of the Capitol Building at 10 a.m. The meeting was called to order by Chairman Mike Halligan.

ROLL CALL: All committee members were present except for Senator Neuman who was excused.

CONSIDERATION OF SENATE BILL 380: Senator Gene Thayer, Senate District 19, Great Falls presented this bill to fund moneys for the state centennial celebration in 1989. This will be used to attract tourism, conventions, etc. to the state. He also introduced some amendments which will make it possible to assess more than one acre should the committee decide to do so. This land will be sold by the square inch. (EXHIBIT 1)

PROPOSERS: Lieutenant Governor George Turman, explained that Senate Bill 380 is one of two measures before the Legislature to establish for fun and funding an appropriate administrative process for the centennial celebration. House Bill 873 establishes a centennial office and provides for the administration of the funding. He pointed out this is the foundation for a self-supporting statehood centennial proposal. (EXHIBIT 2) Jim Flynn, from the Department of Fish, Wildlife and Parks, appeared in support of Senate Bill 380. He felt the department has the expertise and the resources to help select a suitable acre and manage this land. A definite parcel has not yet been selected but a possible site might be near Three Forks at the Missouri Headwaters State Park. (EXHIBIT 3) Brenda Schye, from the Committee of the Montana Institute of the Arts Foundation, feels this is a wonderful way to celebrate our cultural heritage and they support the centennial plans. (EXHIBIT 4) John Etchart, Vice-President for Burlington Northern Affairs, would be happy also to donate a suitable acre if necessary for the project.

OPPOSERS: There were no opponents.

There were no questions from committee members. Senator Thayer closed the hearing on Senate Bill 380.

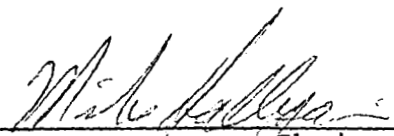
DISPOSITION OF SENATE BILL 380: Senator Fuller moved that the amendments proposed for Senate Bill 380 DO PASS. The motion carried. Senator Fuller then moved that Senate Bill 380 DO PASS AS AMENDED. The motion carried.

budget to do the sort of analysis they are proposing and Mr. Mitchell felt that they did. Senator Mazurek distributed a statement of intent for his bill. (EXHIBIT 24) In closing he felt there is a need for time share legislation. He felt the people need to at least be aware of what a time share is and the problems they may incur. He was disappointed that Mr. McKenna from Lewistown was not here to testify on behalf of the legislation. He had some reservations about the bill but realized there was not much time left to make many changes or amendments at this point. He hopes they can come back next session with legislation in an area he feels is needed. He closed the hearing on Senate Bill 355.

DISPOSITION OF SENATE BILL 404: Senator Halligan informed the committee he had talked with Terry Carmody and some others about changing the time limit and that they do need this time in order to process and computerize the licensing procedure. He explained many licensing procedures have the same renewal date and this would be just to help stagger the workload. Senator Weeding made a motion to DO PASS Senate Bill 404. The motion carried.

DISPOSITION OF SENATE BILL 363: There were some amendments proposed by the attorney from Midland Implement. (EXHIBIT 25) Mary McCue felt that amendments 2,3 and 4 were appropriate but did not see the need for the first amendment proposed. Senator Thayer then moved that amendments 2,3 and 4 DO PASS. The motion carried. Senator Thayer then moved that Senate Bill 363 DO PASS AS AMENDED. The motion carried.

The meeting was adjourned at 12:10 p.m.


Mike Halligan, Chairman

STANDING COMMITTEE REPORT

FEBRUARY 20

35

19.....

MR. PRESIDENT

BUSINESS & INDUSTRY

• We, your committee on.....

SENATE BILL

363

having had under consideration.....

No.....

first

reading copy (white)
color

REPURCHASE OF INVENTORY - CANCELLED DISTRIBUTION CONTRACTS

Respectfully report as follows: That.....

SENATE BILL

363

No.....

be amended as follows:

1. Page 3, line 17 and 18.

Strike: line 17 through "arrangement" on line 18

2. Page 4, line 25.

Strike: "subsection"

Insert: "subsections"

3. Page 6, line 20.

Following: "retailer's"

Insert: "or wholesaler's"

AND AS AMENDED

DO PASS

~~DO NOT PASS~~

Mike Halligan

Chairman.

Amendments to SB 363

1. ~~Page 3, line 16.~~
Following: "into a"
Strike: "written"

2. Page 3, lines 17 and 18.
Strike: line 17 ~~in its entirety and line 18~~ through
"arrangement" *on line 18*

3. Page 4, line 25.
Strike: "subsection"
Insert: "subsections"

4. Page 6, line 20.
Following: "retailer's"
Insert: "or wholesaler's"

(To be kept current -- post bills when entering being heard or leaving committee.)

Form CS-32

STATUS SHEET

49TH

LEGISLATIVE SESSION

COMMITTEE ON BUSINESS AND LABOR

<u>SENATE</u> BILL NO.	<u>ENTERED</u> COMM.	<u>DATE</u> CONSIDERED	<u>OUT OF</u> COMM.	<u>DO PASS</u> DATE	<u>DO NOT</u> PASS DATE	<u>DO PASS</u> AS AMEND. DATE	<u>BE CON-</u> CURRED IN DATE	<u>BE CONC. IN</u> AS AMENDED DATE	<u>BE NOT CON-</u> CURRED IN DATE
340	3-7	3-26	3-26				3-26		
342	2-27	3-18	3-18				3-18		
343	2-27	3-15/3-18 3-29	3-29				3-29		
345	2-27	3-12	3-12				3-12		
349	2-27	3-25/3-28	3-28					3-28	
350	2-27	3-28	3-28				3-28		
353	3-7	3-21/3-27	3-27				3-27		
356	3-7	3-22/3-29 3-27/4-11		TABLED					
357	2-27	3-19/3-20	3-20				3-20		
362	2-27	3-20	3-20				3-20		
363	2-27	3-20	3-20				3-20		
399	2-27	3-27/3-28	3-28				3-28		
402	3-7	3-22/3-28 3-26	3-28					3-28	
404	2-27	3-18	3-18				3-18		
407	2-26	2-26	2-26				2-26		
408	2-27	3-25	3-25				3-25		

Use a separate sheet for Senate, House Bills, and Resolutions

MINUTES OF THE MEETING
BUSINESS AND LABOR COMMITTEE
MONTANA STATE
HOUSE OF REPRESENTATIVES

March 20, 1985

The meeting of the Business and Labor Committee was called to order by Chairman Bob Pavlovich on March 20, 1985 at 7:30 a.m. in Room 312-2 of the State Capitol.

ROLL CALL: All members were present with the exception of Representative Jerry Nisbet, who was excused by the chairman.

ACTION ON SENATE BILL 446: Representative Simon moved DO PASS on Senate Bill 446 and moved the amendments. The amendments did pass by unanimous vote. Senate Bill 446 will BE CONCURRED IN by unanimous vote.

ACTION ON SENATE BILL 357: Representative Brandewie moved DO PASS on Senate Bill 357. Second was received, Senate Bill 357 will BE CONCURRED IN by unanimous vote.

ACTION ON SENATE BILL 452: Chairman Pavlovich appointed a sub-committee to work on Senate Bill 452. Representative Kadas was appointed chairman and Representatives Glaser, Hansen and Simon will serve.

ACTION ON SENATE BILL 74: Representative Pavlovich stated if the attorney general is left in the bill, he must be called to get anyone off the road. Representative Brandewie moved DO PASS on Senate Bill 74. Representative McCormick offered a substitute motion that Senate Bill 74 DO NOT PASS. Representative Kitselman explained that the governor can veto this bill and change the language. A roll call vote resulted in 10 members voting yes and 10 members voting no. Representative Driscoll moved the amendments. Representative Kadas added that the language "all offenses involving motor vehicles", opens the issue to more than what is intended to be addressed. The amendment received a 10 to 10 vote. Representative Kitselman suggested the bill be sent out WITHOUT RECOMMENDATION and explained that the possibility of loss of life exists. Representative Hart stated that there are adequate policemen and sheriff and that a few patrolmen will add nothing. Representative Glaser stated we are talking about existing law and the highway patrol already have control over everything stated in the bill. Representative Bachini suggested a fiscal note be requested and reviewed prior to further consideration. A fiscal note will be ordered and action will be delayed.

be assessed to tie into the system. Mr. Akey explained that it will be part of the filing fee and that most currently have their own equipment. Once the equipment is purchased there will be no additional cost.

There being no further discussion by proponents or opponents, all were excused by the chairman and the hearing on Senate Bill 129 was closed.

SENATE BILL 333: Hearing commenced on Senate Bill 333. Senator Chris Christiaens, District #17, sponsor of the bill, stated this allows a creditor or secured party to record a lien or security interest and to transfer title if the owner has not done so within 20 days after the purchase of a vehicle.

Proponent John Cadby, representing the Montana Bankers Association, stated this will help the law enforcement. Change of ownership will be recorded and bank liens will be perfected.

Proponent Larry Majerus, Administrator, Motor Vehicle Division, Department of Justice, offered his support of the bill.

Representative Wallin asked Senator Christiaens who pays after the 25 days. Senator Christiaens explained that the creditor or secured party must pay the fees which will be held by the county treasurer until the fees are paid, the secured party will then be reimbursed.

There being no further discussion by proponents and no opponents present, all were excused by the chairman and the hearing on Senate Bill 333 was closed.

SENATE BILL 363: Hearing commenced on Senate Bill 363. Senator Ed Smith, District #10, sponsor of the bill, stated this includes cancelled distribution contracts within the repurchase of inventory requirements of cancelled dealership contracts and defines terms relevant to the law. Problems have occurred with Teneco and their buyouts.

Proponent Jerry Young, representing Bran Industries in Billings offered his support and the support of Hugh Moore of Great Falls.

Proponent Dick Milligan, an employee of Billings Implement Company in Laurel, stated he is aware of cases where the

manufacturer has bypassed the wholesaler and gone directly to the dealer. The dealer has no recourse, added Mr. Milligan.

Proponent Dennis Holby, offered his support and stated this will not take anything away from the dealers.

There being no further discussion by proponents and no opponents present, all were excused by the chairman and the hearing on Senate Bill 363 was closed.

SENATE BILL 233: Hearing commenced on Senate Bill 233. Senator Pat Regan, District #47, sponsor of the bill, explained this bill resulted from an incident in Billings whereby a life insurance policy took eight months to pay off and no interest was assessed. There are currently only 13 states that do not protect this. Senate Bill 233 would require that interest be paid on life insurance death benefits if settlement is not made within 30 days of receipt of proof of death. Senator Regan presented Exhibit 6 which is attached hereto.

There being no further discussion by proponents and no opponents present, the senator was excused by the chairman and the hearing on Senate Bill 233 was closed.

ACTION ON SENATE BILL 233: Representative Kitselman moved DO PASS on Senate Bill 233 and moved the amendments proposed by Senator Regan. The amendments did receive a unanimous vote. Senate Bill 233 will BE CONCURRED IN by unanimous vote.

ACTION ON SENATE BILL 333: Representative Brandewie moved DO PASS on Senate Bill 333. Second was received, Senate Bill 333 will BE CONCURRED IN by unanimous vote.

ACTION ON SENATE BILL 363: Representative Brandewie moved DO PASS on Senate Bill 363. Second was received, Senate Bill 363 will BE CONCURRED IN by unanimous vote.

SENATE BILL 206: Hearing commenced on Senate Bill 206. Senator Jack Haffey, District #33, sponsor of the bill, at the request of the Department of Justice, stated this revises the methods for filing security interests on motor vehicles. This will simplify the filing system and one can find out easier who holds a security interest in a vehicle. This will help to alleviate some of the workload and relieve the burden at the Motor Vehicle Department.

Proponent Larry Majerus, Administrator, Motor Vehicle Division,

DAILY ROLL CALL
BUSINESS AND LABOR COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date March 20, 1985

NAME	PRESENT	ABSENT	EXCUSED
Bob Pavlovich	✓		
Les Kitselman	✓		
Bob Bachini	✓		
Ray Brandewie	✓		
Jan Brown	✓		
Jerry Driscoll	✓		
Robert Ellerd	✓		
William Glaser	✓		
Stella Jean Hansen	✓		
Marjorie Hart	✓		
Ramona Howe	✓		
Tom Jones	✓		
Mike Kadas	✓		
Vernon Keller	✓		
Lloyd McCormick	✓		
Jerry Nisbet			✓
James Schultz	✓		
Bruce Simon	✓		
Fred Thomas	✓		
Norm Wallin	✓		

STANDING COMMITTEE REPORT

March 20

19 85

MR. **SPEAKER**

We, your committee on **BUSINESS AND LABOR**

having had under consideration **senate** Bill No. **363**

third reading copy (**blue**)
color

REPURCHASE OF INVENTORY - CANCELLED DISTRIBUTION CONTRACTS

Respectfully report as follows: That **SENATE** Bill No. **363**

~~DO PASS~~
BE CONCURRED IN

SENATE BILL NO. 363

INTRODUCED BY E. SMITH, GAGE, KOLSTAD,

TVEIT, AKLESTAD, CRIPPEN, KEATING

A BILL FOR AN ACT ENTITLED: "AN ACT EXPANDING THE REPURCHASE OF INVENTORY REQUIREMENTS OF CANCELED DEALERSHIP CONTRACTS TO INCLUDE CANCELED DISTRIBUTION CONTRACTS; DEFINING "DISTRIBUTION CONTRACT", "DEALERSHIP CONTRACT", AND "WHOLESALE"; AMENDING SECTIONS 30-11-701, 30-11-702, 30-11-704, AND 30-11-711 THROUGH 30-11-713, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 30-11-701, MCA, is amended to read:

"30-11-701. Definitions. As used in this part, the following definitions apply:

(1) "Current net price" means:

(a) with respect to a dealership contract, the price listed in the wholesaler's, manufacturer's, or distributor's price list or catalog in effect at the time a dealership contract is discontinued or, if none is then in effect, the last available price so listed; and

(b) with respect to a distribution contract, the price listed in the manufacturer's or distributor's price list or catalog in effect at the time a distribution contract is discontinued or, if none is then in effect, the last

available price so listed.

(2) "Dealership contract" means a written contract between a retailer and a wholesaler, manufacturer, or distributor in which the retailer becomes a dealer in goods sold by the wholesaler, manufacturer, or distributor, evidenced by a franchise agreement, sales agreement, security agreement, or other similar agreement or arrangement.

(3) "Distribution contract" means a written contract between a wholesaler and a manufacturer or distributor in which the wholesaler becomes a dealer in goods sold by the manufacturer or distributor, evidenced by a franchise agreement, sales agreement, security agreement, or other similar agreement or arrangement.

(4) "Inventory" means:

(a) farm implements, machinery, attachments, and repair parts;

(b) industrial and construction equipment and repair parts; and

(c) automobiles, trucks, and repair parts sold by an automobile or truck dealer as defined in 61-1-314.

(5) "Net cost" means:

(a) with respect to a dealership contract, the price actually paid for an inventory item by the retailer to the wholesaler, manufacturer, or distributor, plus applicable

freight costs paid by or charged to the retailer; and

(b) with respect to a distribution contract, the price actually paid for an inventory item by the wholesaler to a manufacturer or distributor, plus applicable freight costs paid by or charged to the wholesaler.

(4)(6) "Retailer" or "retail dealer" means any individual, partnership, association, or corporation engaged in the business of selling inventory, as defined in this section, to the general public.

(7) "Wholesaler" means any individual, partnership, association, or corporation engaged in the business of selling inventory, as defined in this section, to retailers."

Section 2. Section 30-11-702, MCA, is amended to read:

"30-11-702. Repurchase of inventory items upon cancellation of dealership or distribution contract. (1) If a retailer enters into a written dealership contract ~~evidenced-by-franchise-agreement, sales-agreement, security agreement, or other similar agreement or arrangement~~ and either the wholesaler, manufacturer, distributor, or retailer cancels the contract, such wholesaler, manufacturer, or distributor shall, at the retailer's request, pay to the retailer, or credit to the retailer's account if the retailer has outstanding any sums owing the wholesaler, manufacturer, or distributor, an amount equal

to:

(a) 100% of the net cost of all new, unused, undamaged, and complete inventory items, except repair parts, held by the dealer at the time of cancellation; and

(b) 85% of the current net price of each repair part carried on the most recent price list or catalog provided by the manufacturer or distributor and held by the dealer at the time of cancellation.

(2) If a wholesaler enters into a written distribution contract and either the wholesaler, manufacturer, or distributor cancels the contract, the manufacturer or distributor shall, at the wholesaler's request, pay to the wholesaler, or credit to the wholesaler's account if the wholesaler has outstanding any sums owing to the manufacturer or distributor, an amount equal to:

(a) 100% of the net cost of all new, unused, undamaged, and complete inventory items, except repair parts, held by the wholesaler at the time of cancellation; and

(b) 85% of the current net price of each repair part carried on the most recent price list or catalog provided by the manufacturer or distributor and held by the wholesaler at the time of cancellation.

(2)(3) Payment or allowance of credit to the retailer's or wholesaler's account of the sum required in

35

1 subsection SUBSECTIONS (1) or (2) must be made upon return
2 of the inventory items to the wholesaler, manufacturer, or
3 distributor. Title to such inventory items passes to the
4 wholesaler, manufacturer, or distributor upon making such
5 payment."

6 Section 3. Section 30-11-704, MCA, is amended to read:

7 "30-11-704. Repurchase of inventory of deceased
8 retailer or wholesaler. If the retailer, wholesaler, or
9 majority stockholder in a corporation operating as a
10 retailer or wholesaler entitled to payment under this part
11 dies, the wholesaler, manufacturer, or distributor shall,
12 unless the heirs or devisees of the deceased agree to
13 continue to operate the dealership, repurchase the inventory
14 from the heirs or devisees in the manner prescribed in
15 30-11-702."

16 Section 4. Section 30-11-711, MCA, is amended to read:

17 "30-11-711. Rights not affected. (1) This part does
18 not affect any contractual right of a wholesaler,
19 manufacturer, or distributor to charge back to the
20 retailer's or wholesaler's account any amount previously
21 credited or paid as a discount incident to the retailer's or
22 wholesaler's purchase of the goods.

23 (2) This part does not affect any security interest
24 that any financial institution, person, wholesaler,
25 manufacturer, or distributor may have in the inventory of

1 the retailer or wholesaler."

2 Section 5. Section 30-11-712, MCA, is amended to read:

3 "30-11-712. Civil liability. If any wholesaler,
4 manufacturer, or distributor fails or refuses to repurchase
5 any inventory as required by 30-11-702, the wholesaler,
6 manufacturer, or distributor is liable in a civil action for
7 100% of the current net price of the inventory, plus any
8 freight charges paid by the retailer or wholesaler, the
9 retailer's or wholesaler's attorney fees, and court costs."

10 Section 6. Section 30-11-713, MCA, is amended to read:

11 "30-11-713. Remedy as supplemental. (1) The
12 provisions of this part are supplemental to any agreement
13 between:

14 (a) the retailer and wholesaler, manufacturer, or
15 distributor governing the inventory; or

16 (b) the wholesaler and manufacturer or distributor
17 governing the inventory.

18 (2) The retailer or wholesaler may elect to pursue
19 either his contract remedies or the remedy provided in
20 30-11-702. An election to pursue his contract remedies does
21 not bar the retailer's OR WHOLESALER'S right to the remedy
22 provided in 30-11-702 as to any inventory not covered by
23 contract."

24 NEW SECTION. Section 7. Saving clause. This act does
25 not affect rights and duties that matured, penalties that

34

SB 0363/02

- 1 were incurred, or proceedings that were begun before the
- 2 effective date of this act.

-End-

37